

STATE OF SOUTH CAROLINA

(Caption of Case)

In the Matter of the Application of Tower Cloud,
Inc. for a Certificate of Public Convenience and
Necessity to Provide Resold and Facilities-Based
Interexchange Telecommunications Services in the
State of South Carolina and for Alternative
Regulation

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2010 - 172 - C

(Please type or print)

Submitted by: Marsha A. Ward, Esq.

SC Bar Number: 5823

Address: Sutherland Asbill & Brennan LLP

Telephone: 404-853-8039

999 Peachtree Street, NE

Fax: 404-853-8806

Atlanta, GA 30309

Other:

Email: Marsha.Ward@sutherland.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 2010 - 172-C

IN RE: TOWER CLOUD, INC.)
)
APPLICATION OF TOWER CLOUD, INC.)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
PROVIDE INTRASTATE INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
WITHIN THE STATE OF SOUTH CAROLINA,)
AND FOR ALTERNATIVE REGULATION)
FIRST APPROVED IN ORDER NOS. 95-1734)
AND 96-55 IN DOCKET NO. 95-661-C.)

DIRECT TESTIMONY OF
PATRICIA T. MORRISON

1 **Q. Please state your full name, business address, and position.**

2 A. My name is Patricia T. Morrison. My business address is 9501 International Court N.,
3 St. Petersburg, FL 33716. I am the Vice President, Finance of Tower Cloud, Inc.
4 ("Tower Cloud").

5 **Q. Please describe your professional experience.**

6 A. I received a B.S. in Accounting from the University of South Alabama and an M.B.A.
7 from Florida Institute of Technology. I am a Certified Public Accountant with more
8 than 30 years of experience in financial administration, including 10 years in the
9 telecommunications industry. I have been employed by Tower Cloud since the
10 Company's inception in 2006. My responsibilities at Tower Cloud include financial
11 reporting, taxation and regulatory compliance, human resources, and contract
12 administration.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to describe the resold and facilities-based
3 interexchange services that Tower Cloud proposes to offer in South Carolina and to
4 review issues related to Tower Cloud's request for a certificate to provide such
5 services. My testimony specifically relates to Tower Cloud's managerial, financial,
6 and technical competence to provide the telecommunications services for which
7 authority is requested, and its compliance with the rules and policies of this
8 Commission.

9 **Q. Please describe the authority that Tower Cloud seeks from the Commissioner?**

10 A. Tower Cloud seeks a certificate of authority to provide resold and facilities-based
11 interexchange telecommunications services throughout the State of South Carolina.
12 Tower Cloud does not intend, however, to offer retail services to end-user customers,
13 but rather will provide back-haul services to wireless carriers.

14 **Q. Are all of the statements in Tower Cloud's Application correct and true to the
15 best of your knowledge, information and belief?**

16 A. Yes.

17 **Q. Do you wish to incorporate by reference any documents into this testimony?**

18 A. Yes. I wish to incorporate, by reference, Tower Cloud's underlying Application filed
19 in this proceeding and its associated exhibits.

20 **Q. Has anything occurred since the Application of Tower Cloud was filed on May
21 13, 2010 that materially changes the representations therein?**

22 A. No.

1 **Q. Has Applicant registered to do business in South Carolina?**

2 A. Yes. Tower Cloud received foreign corporation authority to transact business in South
3 Carolina on March 30, 2010. A copy of the Certificate of Authority was attached to
4 the Application as Exhibit B.

5 **Q. Does Tower Cloud possess the requisite managerial, financial, and technical**
6 **abilities to provide the services for which it has applied for authority?**

7 A. Yes.

8 **Q. Please describe Tower Cloud's managerial and technical qualifications.**

9 A. Tower Cloud possesses the managerial and technical qualifications to provide its
10 proposed telecommunications services. Tower Cloud's management team includes
11 individuals with considerable management and business experience in the
12 telecommunications industry. Consequentially, the Company has the adequate
13 internal technical resources to support its South Carolina operations. Specific details
14 of the business and technical experience of Tower Cloud's officers and management
15 personnel were attached to the Application as Exhibit D.

16 **Q. Please describe Tower Cloud's financial qualifications.**

17 A. As explained in its Application, Tower Cloud possesses the financial qualifications
18 necessary to conduct its telecommunications operations. Financial statements
19 demonstrating Tower Cloud's financial capability to offer the proposed services have
20 been submitted under trade secret protection as Exhibit E of its Application.

21 **Q. Please describe the types of services that Tower Cloud will offer in South**
22 **Carolina.**

1 A. Tower Cloud intends to provide facilities-based and resold interexchange
2 telecommunications services in South Carolina primarily to wireless carriers. Tower
3 Cloud will provide backhaul services from the wireless carrier's cell tower locations
4 back to the wireless carrier's mobile switching centers. Because it is not offering
5 retail services, Tower Cloud operates much like a "carrier's carrier". The service
6 provided is non-switched, point to point service. Tower Cloud will not provide
7 service directly to any end-user customers.

8 **Q. Is Tower Cloud authorized to provide such services in other jurisdictions?**

9 A. Yes. Tower Cloud holds authority to provide such service in North Carolina, Georgia,
10 Florida and Arizona. An application is pending in Alabama.

11 **Q. Has Tower Cloud ever been denied authority in any jurisdiction?**

12 A. No. Tower Cloud has never been denied authority by any State or Federal regulatory
13 agency.

14 **Q. Does Tower Cloud intend to offer prepaid debit card services in South Carolina?**

15 A. No, because Tower Cloud is neither offering retail services nor serving end-user
16 customers, Tower Cloud does not intend to offer prepaid debit card services in South
17 Carolina. Tower Cloud is aware of the Commission's \$5,000 bond or certificate of
18 deposit requirement associated with prepaid debit card services, and will file such an
19 instrument with the Commission if it decides to offer these services in the future.

20 **Q. What regulatory treatment is Tower Cloud seeking in this application?**

21 A. Tower Cloud requests that its interexchange services be subject to alternative
22 regulation, pursuant to South Carolina Code § 58-9-585 (Supp. 1999), as was first

1 granted by the Commission in Order Nos. 95-1734 and 96-55 issued in Docket No.
2 95-661-C.

3 **Q. What facilities will Tower Cloud use to provide its proposed interexchange**
4 **services?**

5 A. Tower Cloud's telecommunications services in the State of South Carolina will be
6 provided utilizing a network of owned and leased fiber facilities supplemented by
7 licensed microwave service where viable.

8 **Q. What geographic areas will Tower Cloud serve?**

9 A. Tower Cloud seeks authority to provide service throughout the State of South
10 Carolina.

11 **Q. Does Tower Cloud have offices in South Carolina?**

12 A. No. Tower Cloud does not intend to have offices in South Carolina at this time.
13 Accordingly, Tower Cloud requests, pursuant to Rule 103-610, that the Commission
14 allow it to keep all applicable books and records at its offices in St. Petersburg,
15 Florida. In the event that the Commission or Office of Regulatory Staff ("ORS")
16 should desire to inspect such books and records, Tower Cloud will provide access
17 expeditiously at its own expense.

18 **Q. By what method will Tower Cloud keep its financial records?**

19 A. Tower Cloud uses Generally Accepted Accounting Principles ("GAAP"). To the
20 extent that the Commission's Rules require the use of the Uniform System of
21 Accounts ("USOA"), Tower Cloud requests a waiver of the rules in order that GAAP
22 be allowed.

1 **Q. How will Tower Cloud market its services?**

2 A. Generally, Tower Cloud's service is selected through a competitive bid process or
3 request for proposals initiated by the wireless carrier. Tower Cloud will not market it
4 telecommunications services to retail customers.

5 **Q. How will Tower Cloud handle service, billing and repair complaints?**

6 A. Tower Cloud has a 24/7 network operations center (NOC) that customers may call to
7 register service issues. The NOC phone number is (888) 897-2568. The critical
8 nature of Tower Cloud's backhaul service makes service reliability a key component
9 of Tower Cloud's success in the marketplace. Tower Cloud will address all service,
10 billing, and other complaints and inquiries promptly. If Tower Cloud is unable to
11 resolve a billing complaint to a customer's satisfaction, Tower Cloud will advise the
12 customer of its right to file a complaint with the ORS or the Commission.

13 **Q. Please provide the name, address and telephone number of the person that will**
14 **serve as your company's contact to the Consumer Service Division for complaint**
15 **resolution.**

16 A. I am the regulatory contact person for Tower cloud, at my business address previously
17 provided. My email address is: pmorrison@towercloud.com.

18 **Q. If authorized to provide competitive telecommunications services, will Tower**
19 **Cloud abide by the rules, regulations, policies and orders of this Commission,**
20 **and the laws of the State of South Carolina, as now adopted or that may be**
21 **adopted in the future, in its provision of competitive intrastate**
22 **telecommunications services?**

1 A. Yes. Tower Cloud commits to abide by all rules, regulations, policies, orders and
2 laws deemed to be applicable to Tower Cloud.

3 **Q. Please describe the proposed tariff filed by Tower Cloud.**

4 A. Tower Cloud filed as Exhibit F of its Application its proposed tariff. The tariff
5 contains the applicable rules and regulations for the provision of its services. I believe
6 that Tower Cloud's tariff will comport with all applicable Commission Rules and
7 Orders, and Tower Cloud agrees to make all changes suggested by the ORS that may
8 be necessary to comply with applicable authority.

9 **Q. How will Tower Cloud guard against slamming?**

10 A. Tower Cloud does not intend to provide service to end users, so it would not be
11 switching any end-user customers' service.

12 **Q. Please describe the public interest benefits associated with Tower Cloud's**
13 **proposed offering of telecommunications services in South Carolina.**

14 A. Grant of this Application will further the public interest by increasing the level of
15 competition for backhaul services in the South Carolina telecommunications market.
16 Competitive provision of these services is in the public interest because the services
17 will provide South Carolina telecommunications customers access to new technologies
18 and services offered by the wireless carriers and can facilitate increased efficiencies
19 and cost savings. The demand for wireless telecommunications services continues to
20 grow and it is critical that wireless network infrastructure continue to develop to
21 support greater bandwidth capacity and speeds. Tower Cloud's entry into the
22 intrastate backhaul telecommunications services market will strengthen the

1 telecommunications infrastructure in the State of South Carolina and improve
2 customer access to services.

3 **Q. Does this conclude your testimony?**

4 A. Yes, it does.

BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 2010 - 172 -C

IN RE: TOWER CLOUD, INC.)
)
APPLICATION OF TOWER CLOUD, INC.)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
PROVIDE INTRASTATE INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
WITHIN THE STATE OF SOUTH CAROLINA,)
AND FOR ALTERNATIVE REGULATION)
FIRST APPROVED IN ORDER NOS. 95-1734)
AND 96-55 IN DOCKET NO. 95-661-C.)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, one (1) copy of the **Direct Testimony of Patricia T. Morrison** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

VIA ELECTRONIC MAIL SERVICE

C. Lessie Hammonds, Esq.
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
lhammon@regstaff.sc.gov

M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC 29211
jbowen@mcnair.net
pfox@mcnair.net

This 28th day of June, 2010.

s/Marsha A. Ward
Marsha A. Ward